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THE PEOPLE'S SHARE IN WEALTH.

THE next paramount step in the world's progress—the next revolution of human society, whether peaceful and orderly or violent and chaotic—impends on this question: “What are the natural rights of society in property, and what the natural rights of individuals?” All present agitation against “monopoly” is a part of this question. Anti-land-monopoly, anti-railroad-monopoly, anti-money-monopoly,—all these questions, and all like questions, are merely parts of the one inclusive question: “What is the absolute, underlying law of ownership—all ownership whatsoever?” But this law is not merely one that can be discovered; it is one that has been discovered, and is only waiting to be understood.

There is no theory, no form of government—there has never been one—not basing its reason for existence on its claim of standing for the best common interests of the people governed. So, likewise, there is no theory, no system of political economy—nor has there ever been one—not basing the tenures to property—the laws, the practical ethics of the matter—on the same foundation—the best common interests of the people composing a state, a nation, an epoch. England distinctly asserts, at the present moment, through her most commonplace and conservative authorities, that her whole wealth belongs to her whole people: hence her right to call on every subject to defend it. She merely adds that the methods which she sanctions and enforces for the distribution of wealth are the best she knows for the general welfare.

Now this is the same as saying that the people of the world jointly own the world, and that the people of any country jointly own that country while they utilize and maintain it. Indeed, *the right to live implies the right to own*. Cut off man's right to partake of his surroundings, his world, and he dies. This bottom principle of ownership is stated in our American Declaration of Independence, as we are forced to see, the moment it is completely analyzed. Our fathers declared that “all men are created equal,

and are endowed by their Creator with certain inalienable rights, among which are life, liberty, and the pursuit of happiness." But, as human "life" is absolutely dependent on access to its environment, and as there can be no "liberty," except to die, when this access is cut off, "the pursuit of happiness" can be nothing else than that use and enjoyment of things implied in the word "ownership." So, life, liberty, and *property* are the inalienable rights of man, according to the full import of Thomas Jefferson. But when Jefferson declared that "all men are created equal," it was not with the meaning that every man can lift just five hundred pounds—the interpretation put on us by poor old Carlyle in his dyspeptic dotage. All men are equal in the natural right to life and liberty, but no two men are precisely equal in the capacity to improve and enjoy these endowments. The same thing is true of man's natural relation to property—the environment of his generation. All men are equal in the natural right of access to the world's wealth—the original bounty of nature and the additions that have been made to it—but they can improve and enjoy this wealth only in accordance with individual capacity. In the distribution of wealth, therefore, all men are not entitled to an *equal* share in property, but to an *equitable* share; and an *equitable share is an equal share according to ability, industry and economy.*

This formula is all there is of democracy, all there is of economics, all there is of social justice. It is what I have called "the absolute law of ownership." It has been termed "the higher law of property." But it stands here only as ethics. Let us convert it into mathematics.

The pivot on which this transformation turns is fixed in nature. It is a fact, sufficiently definite, sufficiently practical. It is the fact of death. Fortunately, men cannot take this world with them into the next. When they lie down in the grave, their stocks and bonds, their money and mortgages, necessarily go to other persons. The entire wealth of mankind reverts from one generation to another every fifty years, in accordance with the average death-rate.* But now, if the world's wealth, or a nation's wealth, is simply a reversion extending through fifty years, one-fiftieth of that wealth reverts in one year. This one-fiftieth

* "The average death-rate in thirty-three cities of the United States, in the year 1879, was $20\frac{1}{100}$ in one thousand; and, in the year 1880, it was $22\frac{2}{100}$." —*Ownership and Sovereignty.*

is two per cent. of the whole value. Is it not perfectly clear, therefore—a mere “example of arithmetic”—that an annual tax of two per cent. on the value of property, collected by society and expended for the common good of society, would effect complete democracy of ownership—would give, with every year, to every child born into the world, an exactly equal share in all the opportunities and all the advantages of life?

In this tax lies the science of redistribution, and the true rejection of all spurious or half-baked economics, like socialism and communism. By this tax, modern society can accomplish definitively what Moses accomplished approximately, with his “year of jubilee” and the reapportionment of Hebrew wealth. Through this tax, which expresses the exact right of all society in all property, the storm which now threatens civilization can be averted, with the least possible cost and the most possible celerity.

Thus, the death-rate tax solves the problem of common ownership. It would equalize, constantly and forever, not human wealth, but the opportunities to procure it; constantly and forever leaving, after that, every individual to work out his own pecuniary salvation, according to his own will and power.

But, taking yearly from wealth the amount of the death-rate tax, what proportion would be left to be accumulated by individuals, according to ability, industry and economy? Simply all the increase above the common due. Property increases at present, we are told, at the slow annual rate of three per cent. But this increase is so retarded by social maladjustments that it would probably double, at once, under a new order of peace, encouragement and equity. If so, there would be a larger amount of wealth than even now, to be unequally accumulated among individuals. But the sum, on this side, is and should be, an unknown quantity. Whatever it might be, the proprietors would have a clear moral tenure to it—which cannot now be said of their possessions.

But what is to be done with the common fund? How is it to be expended, or redistributed for the common good? Its being a *common* fund implies and settles, at the start, that it is not to be directly and equally lumped out to individuals, that idlers and spendthrifts may squander it. It is not theirs in that way. The first use of it is to pay all government expenses. The next use of it is to procure common advantages for the whole public.

Suppose the property of the United States, to-day, is fifty bil-

lions of dollars. Then the people as a whole are entitled, this year, for their joint use, to just one thousand millions of it. This is the amount of their birthright, death-rate tax. Figuring in round numbers, the expense of government—national, state and municipal, in this country,—is now five hundred millions annually, or about one per cent. of the principal. All government expenses paid, the people, therefore, at this hour, are entitled to the remaining one per cent. of their annuity—five hundred millions of dollars—for redistribution. A year or two ago, *THE NORTH AMERICAN REVIEW* published an article by Mr. T. V. Powderly, Grand Master Workman of the Knights of Labor, in which he showed that two millions of men were out of work in the United States, for the reason that they could get nothing to do. As there can never be too much wealth among us, all such men, certainly, ought to be put at work creating it, instead of being forced, by our present barbarous organization of society, into the position of eating what they do not earn, or else lying down to die. But the people's five hundred millions of dollars, due them for this single year if they but knew it, and collectible if they but willed it, would furnish to each of two million men two-hundred-and-fifty-days' work at a dollar a day, or about five months' work at two dollars a day. It would make no difference what kind of work were done, in the distribution, so it paid for itself in the production of new and actual wealth. The investment, in fact, of the people's fund, for the first year, would be a good one, if only to empty the poor-houses, and start every rusting wheel of industry. This very first step in the coming adjustment would abolish "hard times."

But the indirect result of the annual birthright tax would be greater than even the direct result. How many millions of dollars—how many hundreds of millions—now lie in the safety-vaults of New York and Boston, loafing at an interest of two to four per cent., because it is safer for money to loaf than to be out at work? Put an annual tax of two per cent. on these loafing hoards, and see how active they would become, in order to save themselves! They would rush out into the hands of enterprise and labor like the other sort of loafer to a free tap. Never again would work, the sire of wealth, stand, hat in hand, begging a job of his own offspring. The two would be partners. The more one could do for the other, the more each would do for himself. Universal co-operation would be established at one bound.

The absolute law of ownership reduces political economy to an exact science, and at the same time justifies the evolution of history in its phase of property. Such a law is worthy the sword of Mohammed. But it is essentially conservative, and only formulates, for actual practice, the moral basis on which all nations claim to rest their polity and their right to govern. Present wealth is unutterably selfish, vulgar and tyrannical. Poverty is growing savage and brutal, and Macaulay's "Huns and Vandals" are showing their teeth, as he prophesied, not from the outside of civilization now, but from the under side. Let us not shut our eyes. Injustice never becomes utterly unbearable without recoil. In a French revolution property is a bonfire, and the heads of millionaires are used to mop gutters. But the world has had enough of such sorry work, and there is no need of it.

I trust I have shown that for the equitable distribution of a people's joint heritage—which, to be *equitable* can never be *equal*—it is wholly unnecessary to disturb the existing tenures of property. These have grown up as naturally as accretions of coral. They are *right*. But society holds them by the wrong end—has not learned how to use them.

It is true that all ancient states were founded on a coarse, direct order of socialism, and that wealth, or rather land, which was then the substance of wealth, was redistributed with every generation. The greedy optimates of Rome overturned this order, by converting the common lands into hereditary possessions, and the attempted reform of the Gracchi was to re-establish the old ways. Feudalism was ancient socialism, adjusted to military necessity, gradation and protection. Under it, sovereignty implied ownership; but, when democracy arose, the cunning barons kept the property, and the people took the sovereignty.

Private ownership is comparatively a mushroom in history. The old, original precedents are all against it. Still, it is both necessary and just. Possession, with the right of bequest and inheritance, is the stimulant which raises property to its highest value. The common-sense of mankind properly sticks to this point, as vital both to public and private welfare. The material end of ownership is to make the most of wealth.

But, if private ownership of special property can be perfectly reconciled with common and sovereign ownership of all property, what more is to be asked on either side?

Much discussion has been given of late to the private possession of land. It is said that land is the bounty of nature, the gift of God to man, which no one can justly monopolize, but which all should own. The postulate is true, as far as it goes, but is very superficial. What is land, in the economic sense—the sense of its being the bounty of nature? It is not merely the ground. It is a part, also, of every appurtenance to the ground. Every stone in a house is a piece of land; only that piece of land has been modified by labor. Land—the bounty of nature—is the base of every human production. Whether land is hoed over and turned into a garden, or dug up, melted, and made into a locomotive, the bounty of nature is still there, and is common property. The ownership of the garden is precisely like the ownership of the locomotive. There is a public and a private interest in both. The difference is not one of principle, but of degree. The public own the raw material in both, which belongs to the estate of all generations, and is forever inalienable. If the gardener and the mechanic take it to work up, they should pay the public for the use of it. On the other hand, the public should pay them for their labor on it. There is the exact and complete business transaction.

But, if every individual who takes a piece of the common property and improves it, pays to the people a constant rent on its full value, in proportion to the average reversion of all property from one generation to another, then, manifestly, the people get all that is due them, and the individuals have a perfect right to hold and bequeath the property. This rent paid and deducted, the remaining value of the property precisely represents the improvements made upon it by the holders. It stands for nothing else than the true wages of their labor.

It will be of no consequence what monopolies have become established, or what monopolies are now rising—whether in land or anything else—when the people once comprehend the true law of ownership, and the perfect method of enforcing it, through the collection and redistribution of the birthright, death-rate tax. Monopoly! The people of the United States will have annually, at call, a common fund large enough to break, if they wish, by mere competition, any individual or corporate monopoly the earth can produce.

EDWARD GORDON CLARK.